

## § 1260.25

arrangements are made and approved in writing by the grant officer.

(b) Prior written approval is required from NASA if there is to be a significant change in the objective or scope.

## § 1260.25 Allowable costs.

### ALLOWABLE COSTS (JULY 1996)

(a) The recipient institution is responsible for ensuring that costs charged to this award are allowable, allocable, and reasonable under the applicable cost principles defined in § 1260.127. Sections 1260.24, 1260.27, 1260.32, and requests for additional funding require prior approvals.

(b) Payments to individuals for consultant services under a NASA grant shall not exceed the daily equivalent of the maximum rate paid for Level IV of the Executive Schedule, exclusive of expenses and indirect cost.

(c) Recipients may incur pre-award costs 90 calendar days prior to award, provided the costs are necessary for the effective and economical conduct of the project and are otherwise allowable under the terms of the grant. All preaward costs are incurred at the recipient's risk. NASA is under no obligation to reimburse such costs if an award is not subsequently made, or if an award is made for a lesser amount than the recipient anticipated and is insufficient to cover the pre-award costs.

(d) Comptroller General decisions govern allowability of costs for international air transportation (see § 1260.37).

## § 1260.26 Financial management.

### FINANCIAL MANAGEMENT (JULY 1996)

(a) *Payment.* Advance payments by electronic funds transfer will be made by the Financial Management Office of the NASA Center which issued the grant in accordance with procedures provided to the recipient. The recipient shall submit Federal Cash Transaction Reports (SF 272) to the aforementioned office and, if NASA has delegated administration, to the administrative grant officer, within 15 working days following the end of each Federal fiscal quarter, containing current estimates of the cash requirements for each of the four months following the quarter being reported. The final SF 272 is due within 90 days after the expiration date of the grant.

(b) *Management and records.* Financial and program management requirements of §§ 1260.120 through 1260.128 apply to all recipients. Financial records, supporting documents, statistical records, and all other records pertinent to this award shall be retained in accordance with § 1260.153. Provisions of § 1260.26(c) shall apply to subcontractors performing substantive work under this grant.

## 14 CFR Ch. V (1–1–98 Edition)

tors performing substantive work under this grant.

(c) *Unexpended balances.* Any unexpended balance of funds which remains at the end of any funding period, except the final funding period of the grant, shall be carried over to the next funding period, and may be used to defray costs of any funding period of the grant. The estimated amount of unexpended funds shall be identified in the grant budget section of the recipient's renewal proposal.

(d) *Program income* will be subject to § 1260.124.

(e) Provisions of § 1260.26(c) shall apply to subcontractors performing substantive work under this grant.

## § 1260.27 Equipment and other property.

### EQUIPMENT AND OTHER PROPERTY (JULY 1996)

(a) NASA permits acquisition of special purpose equipment (as defined in OMB Circulars A-21 and A-122) specifically required and only used for research, medical, scientific or other technical activities.

(1) Acquisition of special purpose equipment, costing in excess of \$5,000 and not included in the approved proposal budget, requires the prior approval of the administrative grant officer (unless the item is merely a different model of an item in the approved proposal budget).

(2) Title to special purpose equipment acquired by the recipient with grant funds, valued under \$5,000 in acquisition cost, shall vest in the recipient and will be considered "exempt" in accordance with § 1260.133(b).

(3) NASA may elect to take title to items of special purpose equipment valued at more than \$5,000 (acquisition cost each) or when fabricated into a single coherent system (aggregate acquisition cost). The recipient will be advised of the Government's intention to take title in writing if the item is approved for recipient purchase. If the Government does not exercise its right to take title to property acquired by the recipient with grant funds at the time of approval, the property will be considered exempt according to § 1260.133(b). The recipient shall hold title without further obligation to the Federal Government.

(b) General purpose equipment items require the prior approval of the Grant Officer to be a direct charge, shall be titled to NASA, managed in accordance with § 1260.134(f), and reported in accordance with § 1260.27(e).

(c) Grant funds may be expended for the acquisition of land or interests therein or for the acquisition and construction of facilities *only* under a facilities grant, as defined in § 1260.12(g).

(d) The recipient shall maintain a property management system which meets the requirements of §§ 1260.130 through 1260.137. The